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FEDERAL COMMUNICATIONS COMMISSION  
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FEDERAL COMMUNICATIONS COMMISSION  
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In the Matter of )  
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Applications of Bell Atlantic Corporation and )  
GTE Corporation for Consent to Transfer Control )  
of GTE Corporation to Bell Atlantic Corporation )  
 )

CC Docket No. 98-184

To: The Commission

COMMENTS OF  
THE NATIONAL PUERTO RICAN COALITION, THE CUBAN AMERICAN  
NATIONAL COUNCIL, MANA, THE AMERICAN G.I. FORUM, THE HISPANIC  
ASSOCIATION OF COLLEGES AND UNIVERSITIES, ASPIRA ASSOCIATION, THE  
LEAGUE OF UNITED LATIN AMERICAN CITIZENS, AND THE NATIONAL  
ASSOCIATION OF HISPANIC PUBLICATIONS  
IN SUPPORT OF THE MERGER OF  
GTE CORPORATION AND BELL ATLANTIC CORPORATION

Mr. Manuel Mirabal  
President & CEO  
National Puerto Rican Coalition  
1700 K Street, N.W., Suite 500  
Washington, DC 20006

Mr. Guarione Diaz  
President  
Cuban-American National Council  
1233 S.W.4<sup>th</sup> Street  
Miami, FL 33135

Ms. Elisa Sanchez  
Chair  
MANA  
1725 K Street, N.W., Suite 501  
Washington, DC 20006

Mr. Francisco Ivarra  
National Commander  
American G.I. Forum  
109 North 122<sup>nd</sup> Street  
Seattle, WA 98133

No. of Copies rec'd 014  
List ABCDE

Dr. Antonio Flores  
President  
Hispanic Association of Colleges &  
Universities  
8415 Datapoint Drive, Suite 400  
San Antonio, TX 78229

Mr. Ronald Blackburn-Moreno  
President & CEO  
ASPIRA Association  
1444 Eye Street, N.W. Suite 800  
Washington, DC 20005

Mr. Enrique Dovalina  
National President  
League of United Latin American Citizens  
7125 Gulf Freeway  
Houston, TX 77087

Mr. Andres Tobar  
Executive Director and CEO  
Natl. Association of Hispanic Publications  
529 14<sup>th</sup> Street, N.W. #652  
Washington, DC 20045

March 1, 2000

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In accordance with the FCC's Public Notice,<sup>1</sup> the National Puerto Rican Coalition, the Cuban-American National Council, MANA, the American G.I. Forum, the Hispanic Association of Colleges and Universities, ASPIRA Association, the League of United Latin American Citizens, and the National Association of Hispanic Publications here by submit these comments in the above-captioned proceeding.

The National Puerto Rican Coalition, the Cuban-American National Council, MANA, the American G.I. Forum, the Hispanic Association of Colleges and Universities, the ASPIRA

<sup>1</sup> Public Notice: Commission Seeks Comment on Supplemental Filing Submitted by Bell Atlantic Corporation and GTE Corporation, CC Docket No. 98-184, DA 00-165 (rel. Jan. 31, 2000).

Association, the League of United Latin American Citizens, and the National Association of Hispanic Publications (“Hispanic organizations”), are national community-based, nonprofit organizations with affiliates and chapters throughout the United States. These Hispanic organizations are dedicated to ensuring that the needs of Hispanic communities throughout the United States are addressed. In particular, we share a keen interest in the merger of GTE and Bell Atlantic because we believe it is essential that the economic and social benefits of the telecommunications revolution be available to all consumers. To that end, we are convinced that the merger of Bell Atlantic and GTE will offer benefits that will enhance the welfare of consumers generally, and create a strong telecommunications provider with the infrastructure, history and commitment to providing telecommunications to Hispanic communities across the nation.

The combination of Bell Atlantic and GTE will bring together two companies with an historic commitment to serving, as well as working and partnering with, the Hispanic community. Their proven dedication to serving minority communities will ensure there is an effective counterbalance in a telecommunications and information services market that has recently been tilted by others in favor of the interests of big business and other non-residential consumers. After the merger, these Hispanic organizations are confident that the combined company will have every incentive to continue and strengthen their commitment to all consumers, including Hispanics.

Finally, the merger of Bell Atlantic and GTE is entirely consistent with the Commission’s goal to ensure the acceleration of national competition, the creation of new competitive options for consumers and universal service for all communities. The public commitments of both Bell Atlantic and GTE to enter new markets after their merger will

present a challenge to incumbent providers in local, long distance and data services and will speed the development and distribution of new and enhanced telecommunications and data services, ultimately assuring their availability to all segments of the population.

## **II. THE MERGER WILL ENSURE THE AVAILABILITY OF COMMUNICATIONS AND DATA SERVICES THAT ARE ESSENTIAL TO ECONOMIC GROWTH IN HISPANIC COMMUNITIES**

### **A. Hispanic Communities Increasingly Need Advanced Services**

The unprecedented changes in the communications landscape brought on by the growth of telecommunications networks, personal computers, the Internet and associated technologies have created new opportunities in education, commerce and industry. The nation's Hispanic communities have not been immune to these changes. Today, nearly one-third of Hispanic households possess a computer – an increase of almost 20 percent since 1994. Moreover, the rate of increase in Hispanic computer-owning households was twice that of all U.S. households during the last four years. One consequence of this rapid growth in computer ownership has been an increased reliance on Internet services for business and personal use, with recent surveys indicating that nearly one in seven Hispanic households now subscribes to Internet services – a total of more than 1.2 million subscribers.

These numbers represent the beginning of a technological revolution within the Hispanic community that is destined to grow. Not only will the percentages increase, but the aggregate numbers will swell as the Hispanic community itself continues to grow in the U.S. during the coming years. In 1998, Hispanic school-aged children became the largest group of minority children in the U.S., and by 2009 Hispanics will be the largest minority in the country, comprising almost 14% of the population – nearly 40 million people. These figures

can only mean that there will be an ever-increasing demand for access to the best telecommunications technology at the most competitive prices.

The growth of household usage of computers and Internet-related data services is mirrored in the Hispanic business community. Here, both large and small enterprises have become increasingly reliant upon telecommunications-related technologies as a means to engage customers at home and overseas, reduce operating costs, increase service to their customers, and provide more jobs as their businesses expand. One of the key growth engines for the success of these businesses in the future will be their ability to access enhanced telecommunications and data services on a local level. Without this local access, or the ability to choose among competitive providers who are capable of making these cutting-edge services available, these businesses will suffer under a disadvantage vis-a-vis other “connected” businesses that will be difficult, if not impossible, to overcome.

It is, therefore, imperative that Hispanic consumers and businesses enjoy as many of the potential opportunities to gain access to the latest technologies. This access, however, will come only from those providers who have a demonstrated commitment to serving the urban and rural communities where Hispanics of all income levels live and work. Thus, it is incumbent upon the Commission to support those developments in the telecommunications market that will increase the ability of all communities to interconnect with that evolving telecommunications network.

**B. The Merger of Bell Atlantic and GTE Will Bring Accelerated Deployment of Advanced Services**

These Hispanic organizations believe that the merger of Bell Atlantic and GTE will create a company with the resources and experience to deliver advanced services on an accelerated timetable to consumers generally, and specifically to the Hispanic community. As described in their Supplemental Filing, Bell Atlantic and GTE have proposed a set of commitments that “will promote the deployment of advanced services.”<sup>2</sup> This merger will bring together an established player in the market for data services, GTE, with a strong marketing and technological force, Bell Atlantic, to create a powerhouse provider of information and telecommunications services on a nationwide scale that can credibly compete against the growing oligopoly dominating the Internet backbone.

GTE and Bell Atlantic have a demonstrated commitment to Hispanic customers.<sup>3</sup> This is true particularly in urban and rural areas that have been avoided by so-called new “Competitive” Local Exchange Carriers, or “CLECs”, that have focused only on business customers. Given GTE’s and Bell Atlantic’s commitment to the Hispanic community, these Hispanic organizations believe that the combination of these companies will result in a provider that will continue to have every incentive and desire to ensure that the products and services described in their Applications will be delivered to consumers of all types – urban and rural,

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<sup>2</sup> Supplemental Filing of Bell Atlantic and GTE, In the Matter of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent To Transfer Control of GTE to Bell Atlantic, CC Docket No. 98-141, at 20, January 27, 2000 (“Supplemental Filing”); *see also* Application for Transfer of Control, In the Matter of GTE Corporation, Transferor, and Bell Atlantic Corporation, Transferee, For Consent To Transfer Control of GTE to Bell Atlantic, CC Docket No. 98-141, at 16, October 2, 1998 (“Applications”).

<sup>3</sup> *See* Section IV, *infra*.

business and residential – and place Hispanic communities on an equal footing with other telecommunications consumers. This is a merger that promises to deliver the telecommunications revolution to all.

## **II. THE MERGER WILL ENSURE THE PRESENCE OF A COMPETITOR WHO WILL PROVIDE SERVICE TO RESIDENTIAL AND BUSINESS CUSTOMERS AND ACHIEVE THE GOALS OF UNIVERSAL SERVICE**

### **A. The Combined Company Will Offset CLECs' Concentration on the Business Market and Offer a Global Alternative**

While a considerable amount of attention and energy has been directed toward encouraging competition in local exchange markets nationwide since the passage of the Telecommunications Act of 1996, little time has been spent examining the precise nature of the service that these so-called “competitors” are delivering. It has been our collective experience that these CLECs have focused their efforts on larger business customers. The marketing, infrastructure investment, and expertise of these “competitors” have little to do with offering competitive local service to residential and small business customers, especially if those customers happen to live or operate businesses in areas outside the nation’s largest cities.

However, it has also been our experience that GTE, by default or design, has established itself as one of the major providers of telecommunications services in those areas that CLECs have ignored or left behind. For its part, Bell Atlantic has been long established as a provider of service – both residential and business – for urban and rural consumers of all types. Together, these companies bring an established history and proven commitment to marketing, customer service, infrastructure and providing expertise to residential areas and business customers of all sizes in areas where the CLECs are loath to tread. As they expand their networks to provide service outside their established regions, given their current



practices, we expect that the combined company will carry this experience and a commitment to provide service to *residential* consumers as well as business customers *of all sizes*. We do not believe that GTE and Bell Atlantic will leave anyone behind.

Additional benefits of this merger flow from the international assets of these companies, and the promise for their creation of a truly global competitor. The merged Bell Atlantic – GTE will be well-positioned to compete in an increasingly international and competitive telecommunications market, and to provide new options and enhanced international services. This is especially true as it pertains to Latin America, South America and the Caribbean basin, regions that share the fastest rate of economic growth outside of Asia and an area where GTE, Bell Atlantic and their affiliates will provide an extensive presence.

**B. The Bell Atlantic – GTE Merger Ensures Continued Commitment to Universal Service Goals**

The Commission's goals regarding universal service are shared by each of these Hispanic organizations: every American must have the opportunity to communicate and interconnect with our national telecommunications network at a fair and reasonable cost without regard to race, color, gender or economic status. Thus, we support the merger between Bell Atlantic and GTE because we are convinced that the merger of these two companies will create a strong player in the telecommunications market that is committed to universal service. This commitment to enhance the availability of telecommunications services for all Americans is revealed in the Supplemental Filing. In that filing, the companies propose to enhance the ability of low-income Americans to obtain telecommunications services by

offering an enhanced Lifeline plan in their service areas.<sup>4</sup> This new offering will guarantee a certain level of discounts for all qualifying customers, regardless of the current level of support for the program. This is truly an example of their commitment to those citizens who are disadvantaged in the telecommunications market.

### **C. The Merged Company Will Be A Good Corporate Citizen**

Finally, as the Federal Communications Commission considers this merger under the guidelines of its Public Interest Standard, its consideration should include recognition of the Applicants' past and present commitment to supporting minority communities. GTE and Bell Atlantic are shining examples of the ideal corporate citizens. Both companies have worked with and supported the work of numerous Hispanic organizations, including a number of our organizations sharing in this pleading and others: The League of United Latin American Citizens, National Council of La Raza, National Association of Latino Elected Officials, MANA, National Puerto Rican Coalition, and the Southwest Voter Registration Education Project, as well as many others. In 1999, Bell Atlantic awarded \$4.5 million in grants to roughly 2,000 non-profit and educational organizations serving the Hispanic community.

In their business practices, both companies have worked to develop, adopt, and implement a policy of inclusion. GTE has attempted to maintain minority employment that is at least commensurate with the ethnicity of their customer base, while also engaging in outreach programs to the Hispanic and other minority communities. In addition, GTE has been a leader in creating new products and telecommunications options for the Hispanic and broader market using newer technologies. Examples include: "Su entrada al mundo celular"

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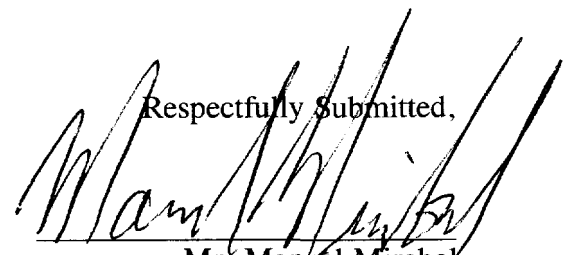
<sup>4</sup> See Supplemental Filing, Proposed Conditions for Bell Atlantic/GTE Merger, at 41.

prepaid wireless calling card; prepaid routes to Tijuana, Mexico; and cellular roaming in Baja, Mexico, which featured the first international hand-off of CDMA calls. Bell Atlantic also has not ignored the large Hispanic population in its service area. Bell Atlantic has implemented programs to work with minority vendors to win Bell Atlantic contracts and, last year, purchased in excess of \$50 million of goods and services from Hispanic firms and businesses. As a result of its overall efforts, Bell Atlantic was named the 1999 Telecommunications Company of the Year by the National Coalition of Minority Businesses. For its workplace efforts, Bell Atlantic was named by Latina Style magazine as one of the top 50 companies for Latinas in 1998 and 1999.

### **III. CONCLUSION**

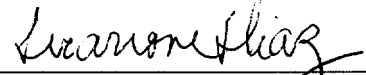
For the above stated reasons, we believe that the merger of Bell Atlantic and GTE is in the public interest. Thus, we strongly encourage the Commission to approve without further delay the merger between these two companies. Doing so will further the promise and deployment of basic and advanced telecommunications services to all Americans, no matter their color, creed, income, or place of residence.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Manuel Mirabal', is written over a horizontal line.

Mr. Manuel Mirabal  
President & CEO

National Puerto Rican Coalition  
1700 K Street, N.W., Suite 500  
Washington, DC 20006



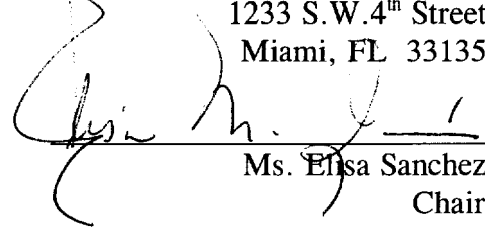
Mr. Guarione Diaz

President

Cuban-American National Council

1233 S.W. 4<sup>th</sup> Street

Miami, FL 33135



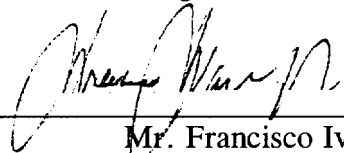
Ms. Elsa Sanchez

Chair

MANA

1725 K Street, N.W., Suite 501

Washington, DC 20006



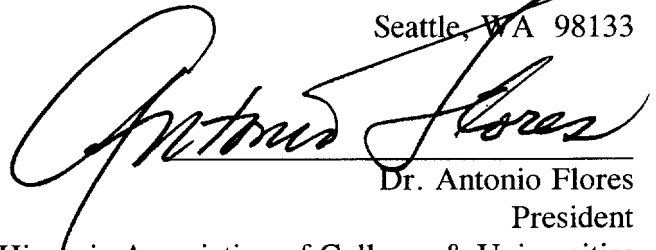
Mr. Francisco Ivarra

National Commander

American G.I. Forum

109 North 122<sup>nd</sup> Street

Seattle, WA 98133



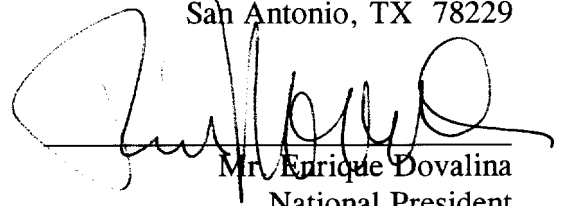
Dr. Antonio Flores

President

Hispanic Association of Colleges & Universities

8415 Datapoint Drive, Suite 400

San Antonio, TX 78229



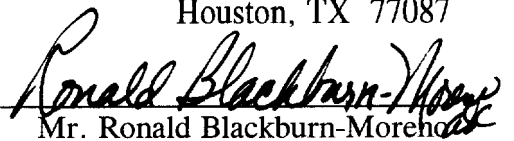
Mr. Enrique Dovalina

National President

League of United Latin American Citizens

7125 Gulf Freeway

Houston, TX 77087




Mr. Ronald Blackburn-Moreno

President & CEO

ASPIRA Association

1444 Eye Street, N.W. Suite 800

Washington, DC 20005



Mr. Andres Tobar  
Executive Director and CEO  
National Association of Hispanic Publications  
529 14<sup>th</sup> Street, N.W. #652  
Washington, DC 20045

Dated: March 1, 2000